

Individual Income Tax Returns, Preliminary Data, 1996

Data Release

Taxpayers filed 120.6 million U.S. individual income tax returns for 1996, an increase of 2.1 percent from the nearly 118.2 million returns filed for 1995. Adjusted gross income less deficit (AGI) increased 8.9 percent to \$4,554.4 billion for 1996. Taxable income increased 10.6 percent to \$3.1 billion, and total income tax increased 13.0 percent to \$661.1 billion. The alternative minimum tax rose 20.1 percent to \$2.4 billion for 1996.

Figure A shows that the largest component of AGI, salaries and wages, increased 6.0 percent to \$3.4 trillion for 1996. The second largest component of AGI, net capital gain reported on Schedule D, increased 50.5 percent to \$245.9 billion, and capital gain distributions reported on Form 1040 increased 62.7 percent to \$6.0 billion. Taxable income from pensions and annuities rose 8.5 percent to \$242.8 billion, while partnership and S Corporation net income rose 16.9 percent to \$177.1 billion. Other income items with large percentage increases include taxable Individual Retirement Arrangement (IRA) distributions, which rose 22.9 percent to \$46.2 billion, taxable Social Security benefits, which increased 16.5 percent to \$54.2 billion, and estate and trust net income, which increased 19.1 percent to \$7.5 billion.

Statutory adjustments to total income increased 3.6 percent, from \$40.3 billion for 1995 to \$41.7 billion for 1996. The largest of all statutory adjustments was the deduction for one-half of self-employment tax, representing 32.7 percent of the total, which increased 5.8 percent to \$13.6 billion.

Total deductions for 1996, the sum of the standard deductions and total itemized deductions (after limitation), equaled \$991.4 billion, an increase of 6.4 percent. The number of returns claiming the basic standard deduction increased 1.3 percent, accounting for 69.9 percent of all returns filed and 41.9 percent of the total deductions amount. The average standard deduction (comprised of the basic and additional standard deductions) increased 2.1 percent, from \$4,976 for 1995 to \$5,079 for 1996. This increase was largely due to inflation indexing of the standard deduction amounts. Itemized deductions were claimed on 29.3 percent of all returns filed for 1996 and represented 56.8 percent of the total deductions amount. The average total for itemized deductions (after limitation) equaled \$15,924, a 4.4-percent increase from the 1995

average of \$15,254. Due to the AGI limitation on itemized deductions, for 1996, nearly 4.1 million higher-income taxpayers were unable to deduct \$18.9 billion in itemized deductions, an increase of 25.9 percent from 1995. Interest paid comprised the largest portion (39.1 percent) of total itemized deductions, increasing 8.7 percent to \$227.6 billion. The taxes paid deduction, accounting for 34.8 percent of the total, increased 8.7 percent to \$202.5 billion. The charitable contributions deduction showed the largest percentage increase (14.7 percent), rising to \$84.3 billion.

Total tax credits rose 14.9 percent to \$10.8 billion. With the exception of the credit for the elderly or disabled, which decreased 32.2 percent to \$32.1 million, all of the tax credits increased for 1996. The change in total credits was primarily a result of the large increases in three different credits. The foreign tax credit increased 25.7 percent to \$3.1 billion, the minimum tax credit increased 58.4 percent to \$0.6 billion, and the portion of the earned income credit (EIC) used to offset income tax before credits increased 14.7 percent to \$3.6 billion.

The total EIC increased 12.9 percent to \$29.4 billion. While the portion used to offset other taxes (such as the self-employment tax) rose 9.8 percent to \$2.2 billion, the largest part of the EIC was the refundable portion, which was treated as a refund and paid directly to taxpayers who had no tax liability against which to apply the credit, or whose EIC exceeded income tax (and other taxes). The refundable portion of the EIC totaled \$23.6 billion for 1996, an increase of 12.9 percent from 1995. The EIC rose, in part, because of increased credit amounts resulting from the final phase-in of provisions of the Omnibus Budget Reconciliation Act of 1993 (OBRA93). These estimates, however, do not fully reflect the changes in processing those returns with invalid or missing Social Security numbers, as required under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 [1]. (See the Changes in Law section below.)

The comparisons of data for Tax Years 1995 and 1996 in this article are based on the preliminary estimates for both years [2]. A few income and tax items tend to be understated in preliminary estimates; therefore, comparisons based on preliminary estimates for one year and final estimates from previous years could be misleading. Comparisons based entirely on preliminary estimates both reduce the likelihood of misinterpretation of the data and afford a more accurate representation of year-to-year change. Final statistics for Tax Year 1995 are available in the Fall 1997 issue of the *Statistics of Income Bulletin*.

Therese Cruciano is an economist with the Individual Returns Analysis Section. This data release was prepared under the direction of Jeff Hartzok, Chief.

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Changes in Law

In general, the definitions used in this article are the same as those in *Statistics of Income--Individual Income Tax Returns 1995--Publication 1304*. The following is a partial list of tax law and Internal Revenue Service administrative changes that had a major bearing on the 1996 preliminary data presented in this article.

- ❑ **Earned Income Credit.** — Several changes were made to the earned income credit for 1996. The maximum amount of the earned income credit increased, as did the amounts of *earned* income and AGI an individual could have and still claim the credit. “Modified AGI,” rather than AGI, was used to compute the amount of the credit. Modified AGI does not include losses from sales of capital assets, estates and trusts, rents and royalties, and 50 percent of business losses. In addition, taxpayers with more than \$2,200 of investment income were not eligible for the earned income credit [3]. The maximum credit for taxpayers with no qualifying children increased 2.9 percent to \$323. For these taxpayers, earned income and AGI had to be less than \$9,500 (up from \$9,230 for 1995). For taxpayers with one qualifying child, the maximum credit increased 2.8 percent to \$2,152. For taxpayers with two or more qualifying children, the maximum credit increased 14.3 percent to \$3,556, reflecting the final phase-in of changes in OBRA93. To be eligible for the credit, a taxpayer’s earned income and AGI had to be less than \$25,078 for one qualifying child (up from \$24,396 for 1995), or less than \$28,495 for two or more qualifying children (up from \$26,673 for 1995).
- ❑ The personal exemption amount, the itemized deduction limitation, self-employment tax, standard and additional deduction amounts, and tax brackets boundaries all increased due to indexing for inflation.

Data Sources and Limitations

The preliminary statistics in this data release are based on a sample of individual income tax returns (Forms 1040, 1040A, 1040EZ, and 1040PC, including electronically-filed returns) filed during Calendar Year 1997. Returns in the sample were stratified based on: (1) the larger of positive income or negative income; (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for Treasury Department tax modeling purposes [4]. Returns were then selected at rates ranging from 0.02 percent to

100 percent. The preliminary 1996 data are based on a sample of 103,936 returns and an estimated final population of 120,918,981 returns. The corresponding sample and population for the preliminary 1995 data were 95,405 and 118,520,666 returns, respectively.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known; coefficients of variation (CV’s) are used to measure that magnitude. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in the Appendix to this issue of the *Bulletin*.

While the preliminary estimates are intended to represent a full year of taxpayer reporting, they are actually based on returns processed for tax administration purposes, in the case of 1996 returns, between January and late September of 1997. In general, returns processed during the remainder of each year tend to have somewhat different characteristics compared to returns processed earlier. These characteristics include disproportionately large amounts of investment income, passive losses, and alternative minimum tax, for example.

Notes and References

- [1] U.S. Congress, *Personal Responsibility and Work Opportunity Reconciliation Act of 1996* (H.R. 3734, 104th Congress; Public Law 104-193), August 22, 1996. Section 451 of this Act authorizes the Internal Revenue Service (IRS) to use mathematical error procedures when a taxpayer claims the EIC but omits or uses an invalid Social Security number for the taxpayer, spouse, or qualifying child. In addition, Section 1615 of the Small Business Job Protection Act of 1996 gives the IRS similar authority when a taxpayer claims an exemption for the child or the child care credit, but does not provide a valid Social Security number for the dependent. In those cases where the taxpayer did not provide valid Social Security numbers, the preliminary data generally contain the original, undisputed claim by the taxpayer. The data contain the corrected amount only for those taxpayers who had responded to an IRS mathematical error notice within the required 60-day period. Using data that account for mathematical error procedures (but not for subsequent taxpayer corrections), the EIC increased roughly 10 percent

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between 1995 and 1996.

- [2] “Preliminary estimates” differ from the “early tax estimates” published for 1996 in the Winter 1997-1998 issue of the *Bulletin*. The preliminary estimates in this article represent estimated totals expected for the full tax year, based on returns processed by the Internal Revenue Service through September 1997. The early tax estimates represent data only for returns filed through April.

- [3] U.S. Congress, *Personal Responsibility and Work*

Opportunity Reconciliation Act of 1996 (H.R. 3734, 104th Congress; Public Law 104-193), August 22, 1996.

- [4] Returns in the sample were stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, *Foreign Earned Income*; Form 1116, *Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual)*; Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; and Schedule F, *Profit or Loss From Farming*.

SOURCE: IRS, Statistics of Income bulletin, Publication 1136, Spring 1998.

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Figure A

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 1995 and 1996

[Money amounts are in thousands of dollars]

Item	1995	1996	Percentage increase
	(1)	(2)	(3)
All returns.....	118,183,909	120,634,273	2.1
Form 1040 returns.....	64,442,973	66,109,584	2.6
Form 1040A returns.....	24,571,779	24,689,790	0.5
Form 1040EZ returns.....	21,731,501	21,421,288	-1.4
Form 1040PC returns.....	7,198,449	8,413,611	16.9
Electronically-filed returns ¹	14,918,982	19,257,932	29.1
Adjusted gross income (less deficit).....	4,183,305,142	4,554,396,756	8.9
Salaries and wages:			
Number of returns.....	101,333,387	103,160,338	1.8
Amount.....	3,206,345,954	3,397,436,406	6.0
Taxable interest:			
Number of returns.....	67,197,308	67,499,178	0.4
Amount.....	147,894,233	159,710,456	8.0
Tax-exempt interest: ²			
Number of returns.....	5,022,633	5,055,334	0.7
Amount.....	49,517,743	48,980,952	-1.1
Dividends:			
Number of returns.....	26,187,060	27,758,744	6.0
Amount.....	92,762,156	102,934,394	11.0
State income tax refunds:			
Number of returns.....	18,335,848	18,390,889	0.3
Amount.....	11,684,392	12,138,783	3.9
Alimony received:			
Number of returns.....	432,570	422,701	-2.3
Amount.....	4,329,982	4,615,750	6.6
Business or profession net income:			
Number of returns.....	12,163,031	12,545,355	3.1
Amount.....	186,846,401	195,074,131	4.4
Business or profession net loss:			
Number of returns.....	3,974,873	4,209,250	5.9
Amount.....	21,261,278	21,943,033	3.2
Net capital gain reported on Schedule D:			
Number of returns.....	10,095,534	11,995,318	18.8
Amount.....	163,415,871	245,944,419	50.5
Net capital loss reported on Schedule D:			
Number of returns.....	5,067,057	4,599,378	-9.2
Amount.....	9,592,103	8,827,482	-8.0
Capital gains distributions reported on Form 1040:			
Number of returns.....	4,717,976	5,462,086	15.8
Amount.....	3,658,666	5,953,308	62.7
Sales of property other than capital assets, net gain:			
Number of returns.....	794,468	819,795	3.2
Amount.....	5,341,009	6,176,806	15.6
Sales of property other than capital assets, net loss:			
Number of returns.....	941,368	969,076	2.9
Amount.....	7,641,583	7,753,579	1.5
Taxable Individual Retirement Arrangement distributions:			
Number of returns.....	5,288,469	5,925,947	12.1
Amount.....	37,542,214	46,150,385	22.9
Taxable pensions and annuities:			
Number of returns.....	18,578,987	19,499,491	5.0
Amount.....	223,859,270	242,799,917	8.5
Rent and royalty net income:			
Number of returns.....	5,100,278	5,116,624	0.3
Amount.....	38,895,885	42,018,487	8.0
Rent and royalty net loss:			
Number of returns.....	4,597,015	4,470,354	-2.8
Amount.....	24,598,482	24,692,768	0.4
Partnership and S Corporation net income:			
Number of returns.....	3,384,101	3,599,488	6.4
Amount.....	151,531,183	177,143,603	16.9

Footnotes at end of figure.

Individual Income Tax Returns, Preliminary Data, 1996

Figure A--Continued

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 1995 and 1996--Continued

[Money amounts are in thousands of dollars]

Item	1995	1996	Percentage increase
	(1)	(2)	(3)
Partnership and S Corporation net loss:			
Number of returns.....	1,926,432	2,062,829	7.1
Amount.....	29,230,463	32,187,522	10.1
Estate and trust net income:			
Number of returns.....	481,828	473,407	-1.7
Amount.....	6,292,958	7,492,558	19.1
Estate and trust net loss:			
Number of returns.....	40,724	41,365	1.6
Amount.....	431,287	410,329	-4.9
Farm net income:			
Number of returns.....	740,886	738,877	-0.3
Amount.....	8,440,204	9,210,256	9.1
Farm net loss:			
Number of returns.....	1,488,734	1,461,717	-1.8
Amount.....	15,842,461	15,832,450	-0.1
Unemployment compensation:			
Number of returns.....	8,031,146	8,016,215	-0.2
Amount.....	19,355,537	19,267,076	-0.5
Taxable Social Security benefits:			
Number of returns.....	6,669,759	7,480,402	12.2
Amount.....	46,465,773	54,155,182	16.5
Total statutory adjustments:			
Number of returns.....	18,095,976	18,334,884	1.3
Amount.....	40,301,899	41,736,000	3.6
Payments to an Individual Retirement Arrangement:			
Number of returns.....	4,347,620	4,403,911	1.3
Amount.....	8,431,780	8,729,185	3.5
Moving expenses adjustment:			
Number of returns.....	879,823	811,324	-7.8
Amount.....	1,691,713	1,587,968	-6.1
Self-employment tax deduction:			
Number of returns.....	12,717,472	13,146,720	3.4
Amount.....	12,892,117	13,640,416	5.8
Self-employed health insurance deduction:			
Number of returns.....	2,947,372	3,068,842	4.1
Amount.....	2,538,085	2,700,169	6.4
Payments to a self-employed retirement (Keogh) plan:			
Number of returns.....	1,012,904	1,081,582	6.8
Amount.....	8,485,667	8,822,596	4.0
Forfeited interest penalty:			
Number of returns.....	808,446	715,404	-11.5
Amount.....	201,456	171,498	-14.9
Alimony paid:			
Number of returns.....	568,525	593,748	4.4
Amount.....	5,083,606	5,444,118	7.1
Total deductions:			
Number of returns.....	117,226,804	119,722,143	2.1
Amount.....	931,860,557	991,421,589	6.4
Basic standard deduction:			
Number of returns.....	83,316,311	84,377,400	1.3
Amount.....	402,177,039	415,113,986	3.2
Additional standard deduction:			
Number of returns.....	10,880,046	11,178,259	2.7
Amount.....	12,411,522	13,462,417	8.5
Total itemized deductions (after limitation):			
Number of returns.....	33,910,493	35,344,743	4.2
Amount.....	517,271,996	562,845,185	8.8
Itemized deductions in excess of limitation:			
Number of returns.....	3,677,473	4,055,698	10.3
Amount.....	15,011,514	18,901,571	25.9

Footnotes at end of figure.

Individual Income Tax Returns, Preliminary Data, 1996

Figure A--Continued

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 1995 and 1996--Continued

[Money amounts are in thousands of dollars]

Item	1995	1996	Percentage increase
	(1)	(2)	(3)
Medical and dental expenses deduction:			
Number of returns.....	5,303,817	5,353,009	0.9
Amount.....	26,626,409	26,787,262	0.6
Taxes paid deduction:			
Number of returns.....	33,442,663	34,809,833	4.1
Amount.....	186,259,599	202,508,276	8.7
Interest paid deduction:			
Number of returns.....	28,618,616	29,755,003	4.0
Amount.....	209,405,512	227,625,566	8.7
Charitable contributions deduction:			
Number of returns.....	30,508,427	31,580,891	3.5
Amount.....	73,487,914	84,264,918	14.7
Taxable income:			
Number of returns.....	94,664,389	96,797,748	2.3
Amount.....	2,804,076,269	3,100,719,765	10.6
Income tax before credits:			
Number of returns.....	94,552,797	96,743,058	2.3
Amount.....	592,247,650	669,459,918	13.0
Total tax credits:			
Number of returns.....	15,218,172	15,937,259	4.7
Amount.....	9,408,111	10,807,317	14.9
Child care credit:			
Number of returns.....	5,943,046	5,979,181	0.6
Amount.....	2,506,191	2,530,689	1.0
Credit for the elderly or disabled:			
Number of returns.....	249,512	169,697	-32.0
Amount.....	47,310	32,060	-32.2
Foreign tax credit:			
Number of returns.....	1,727,469	2,107,378	22.0
Amount.....	2,503,984	3,147,731	25.7
General business credit:			
Number of returns.....	256,473	279,785	9.1
Amount.....	618,894	648,634	4.8
Minimum tax credit:			
Number of returns.....	93,401	110,466	18.3
Amount.....	401,707	636,343	58.4
Income tax after credits:			
Number of returns.....	89,259,719	91,032,065	2.0
Amount.....	582,839,539	658,652,601	13.0
Self-employment tax:			
Number of returns.....	12,718,820	13,160,508	3.5
Amount.....	25,779,632	27,288,668	5.9
Alternative minimum tax:			
Number of returns.....	389,992	453,807	16.4
Amount.....	2,009,238	2,412,710	20.1
Total earned income credit (EIC):			
Number of returns.....	19,357,484	19,717,960	1.9
Amount.....	26,024,892	29,374,661	12.9
EIC used to offset income tax before credits:			
Number of returns.....	7,878,613	8,296,884	5.3
Amount.....	3,150,310	3,613,129	14.7
EIC used to offset other taxes:			
Number of returns.....	2,904,343	3,083,045	6.2
Amount.....	1,957,356	2,150,021	9.8
Excess EIC, refundable portion:			
Number of returns.....	15,216,832	15,608,103	2.6
Amount.....	20,917,225	23,611,511	12.9
Total income tax:			
Number of returns.....	89,278,223	91,051,831	2.0
Amount.....	584,848,776	661,075,925	13.0
Total tax liability:			
Number of returns.....	91,458,043	93,311,396	2.0
Amount.....	611,278,416	689,268,535	12.8

NOTE: Detail may not add to totals because of rounding.

¹ Included in data for Forms 1040, 1040A, and 1040EZ.

² Not included in adjusted gross income.

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Table 1.--Individual Income Tax Returns, Tax Year 1996 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Item	All returns	Size of adjusted gross income					
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns.....	120,634,273	42,673,765	29,547,114	22,116,289	20,160,813	4,612,244	1,524,048
Form 1040 returns.....	66,109,584	15,131,808	13,261,807	14,380,080	17,518,175	4,331,778	1,485,937
Form 1040A returns.....	24,689,790	11,655,194	8,408,615	3,839,897	786,084	--	--
Form 1040EZ returns.....	21,421,288	13,397,563	5,760,307	2,090,239	173,178	--	--
Form 1040PC returns.....	8,413,611	2,489,201	2,116,384	1,806,073	1,683,376	280,466	38,111
Electronically-filed returns ²	19,257,932	8,754,232	5,937,476	2,734,979	1,623,408	194,006	13,831
Adjusted gross income less deficit.....	4,554,396,756	264,003,063	644,161,558	864,415,559	1,372,747,676	603,424,453	805,644,447
Salaries and wages:							
Number of returns.....	103,160,338	33,851,552	25,301,451	20,092,520	18,465,460	4,141,509	1,307,845
Amount.....	3,397,436,406	238,718,871	514,205,997	717,247,705	1,113,026,979	433,797,120	380,439,733
Taxable interest:							
Number of returns.....	67,499,178	15,243,217	14,175,808	14,873,934	17,290,636	4,423,044	1,492,539
Amount.....	159,710,456	19,498,255	24,207,789	24,483,693	36,344,633	20,197,940	34,978,146
Tax-exempt interest: ³							
Number of returns.....	5,055,334	520,077	617,136	869,530	1,539,435	876,006	633,149
Amount.....	48,980,952	2,110,537	2,321,456	4,133,758	10,255,928	9,315,944	20,843,329
Dividends:							
Number of returns.....	27,758,744	5,370,214	4,629,050	5,263,750	8,119,013	3,078,998	1,297,720
Amount.....	102,934,394	7,695,550	9,149,986	11,089,048	21,827,674	17,527,150	35,644,985
State income tax refunds:							
Number of returns.....	18,390,889	612,929	2,120,039	4,745,575	8,162,441	2,061,863	688,043
Amount.....	12,138,783	337,334	816,890	1,986,014	4,385,039	1,922,124	2,691,383
Alimony received:							
Number of returns.....	422,701	120,041	154,578	91,746	46,077	7,884	2,375
Amount.....	4,615,750	585,218	1,304,791	1,094,235	1,018,156	472,961	140,389
Business or profession net income:							
Number of returns.....	12,545,355	3,799,498	2,582,530	2,436,491	2,487,645	909,150	330,042
Amount.....	195,074,131	21,537,685	25,961,175	27,696,433	44,732,187	37,816,845	37,329,806
Business or profession net loss:							
Number of returns.....	4,209,250	885,043	849,165	938,393	1,207,040	238,632	90,977
Amount.....	21,943,033	7,631,069	3,578,884	3,516,908	4,148,103	1,490,830	1,577,240
Net capital gain reported on Schedule D:							
Number of returns.....	11,995,318	1,909,726	1,821,608	2,055,475	3,581,553	1,714,061	912,896
Amount.....	245,944,419	7,049,799	7,206,263	9,384,557	28,404,979	28,620,145	165,278,677
Net capital loss reported on Schedule D:							
Number of returns.....	4,599,378	976,785	728,774	887,670	1,231,707	520,681	253,760
Amount.....	8,827,482	1,902,473	1,344,368	1,568,151	2,355,491	1,065,547	591,452
Capital gains distributions reported on Form 1040:							
Number of returns.....	5,462,086	1,312,693	803,141	1,152,804	1,654,234	444,342	94,873
Amount.....	5,953,308	925,156	722,979	978,302	1,989,524	959,662	377,684
Sales of property other than capital assets, net gain:							
Number of returns.....	819,795	135,742	145,300	134,929	215,600	113,233	74,990
Amount.....	6,176,806	824,729	546,304	677,149	1,550,043	998,075	1,580,506
Sales of property other than capital assets, net loss:							
Number of returns.....	969,076	216,748	131,416	157,883	205,967	125,062	131,999
Amount.....	7,753,579	3,407,024	592,459	570,752	892,113	776,980	1,514,251
Taxable Individual Retirement Arrangement distributions:							
Number of returns.....	5,925,947	1,117,567	1,637,813	1,286,334	1,412,900	345,217	126,116
Amount.....	46,150,385	4,003,402	7,489,657	8,404,984	14,456,586	6,360,515	5,435,239
Taxable pensions and annuities:							
Number of returns.....	19,499,491	4,612,690	5,201,554	3,995,801	4,391,638	1,007,731	290,076
Amount.....	242,799,917	26,750,753	54,117,622	51,481,879	75,853,446	25,451,052	9,145,164
Rent and royalty net income:							
Number of returns.....	5,116,624	928,936	1,000,963	992,549	1,293,693	575,345	325,139
Amount.....	42,018,487	3,538,980	4,052,511	4,199,090	9,002,712	7,670,398	13,554,795
Rent and royalty net loss:							
Number of returns.....	4,470,354	636,874	785,518	950,217	1,530,273	457,680	109,792
Amount.....	24,692,768	4,046,390	3,597,822	4,554,304	8,125,063	2,781,934	1,587,255
Partnership and S Corporation net income:							
Number of returns.....	3,599,488	361,299	408,956	539,140	997,828	715,665	576,601
Amount.....	177,143,603	2,418,108	3,126,316	5,188,972	14,714,905	25,984,485	125,710,816
Partnership and S Corporation net loss:							
Number of returns.....	2,062,829	373,158	294,660	342,818	567,806	291,271	193,117
Amount.....	32,187,522	12,221,554	2,384,008	1,904,337	4,168,009	2,718,269	8,791,345

Footnotes at end of table.

Individual Income Tax Returns, Preliminary Data, 1996

Table 1.--Individual Income Tax Returns, Tax Year 1996 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Item	All returns	Size of adjusted gross income					
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Estate and trust net income:							
Number of returns.....	473,407	74,113	70,383	90,586	109,189	77,353	51,783
Amount.....	7,492,558	268,886	257,464	533,921	1,012,502	1,365,438	4,054,346
Estate and trust net loss:							
Number of returns.....	41,365	7,400	1,482	5,445	8,944	10,928	7,166
Amount.....	410,329	130,204	8,082	5,498	45,108	77,615	143,822
Farm net income:							
Number of returns.....	738,877	194,699	182,591	154,842	149,969	42,783	13,993
Amount.....	9,210,256	1,015,244	1,696,162	1,676,974	2,538,027	1,495,790	788,059
Farm net loss:							
Number of returns.....	1,461,717	390,055	359,292	304,872	297,452	74,746	35,300
Amount.....	15,832,450	5,189,278	2,809,783	2,638,392	2,583,091	1,152,920	1,458,986
Unemployment compensation:							
Number of returns.....	8,016,215	2,436,397	2,440,470	1,749,267	1,260,076	112,511	17,492
Amount.....	19,267,076	4,908,085	6,091,417	4,571,122	3,277,346	354,394	64,712
Taxable Social Security benefits:							
Number of returns.....	7,480,402	52,822	1,394,943	2,659,683	2,539,443	604,970	228,541
Amount.....	54,155,182	200,482	2,410,404	13,397,487	26,730,693	8,053,882	3,362,233
Total statutory adjustments:							
Number of returns.....	18,334,884	4,532,735	4,069,798	3,989,345	3,605,830	1,427,783	709,393
Amount.....	41,736,000	3,675,048	5,979,453	7,081,812	9,624,559	8,083,835	7,291,293
Payments to an Individual Retirement Arrangement:							
Number of returns.....	4,403,911	583,165	1,315,433	1,416,509	710,632	260,026	118,145
Amount.....	8,729,185	947,209	2,337,990	2,485,386	1,819,817	774,998	363,785
Moving expenses adjustment:							
Number of returns.....	811,324	112,854	151,943	201,019	232,352	95,058	18,099
Amount.....	1,587,968	160,210	232,029	302,917	499,161	313,796	79,855
Self-employment tax deduction:							
Number of returns.....	13,146,720	3,814,399	2,651,605	2,466,937	2,600,340	1,083,202	530,238
Amount.....	13,640,416	1,668,126	2,142,372	2,340,235	3,513,787	2,234,734	1,741,161
Self-employed health insurance deduction:							
Number of returns.....	3,068,842	512,450	673,919	641,541	655,704	342,427	242,802
Amount.....	2,700,169	334,803	509,254	526,190	616,858	361,259	351,805
Payments to a self-employed retirement (Keogh) plan:							
Number of returns.....	1,081,582	14,793	69,585	147,465	365,187	304,064	180,488
Amount.....	8,822,596	44,150	191,144	518,751	1,765,268	3,144,666	3,158,618
Forfeited interest penalty:							
Number of returns.....	715,404	178,308	182,058	169,091	127,670	44,752	13,525
Amount.....	171,498	41,826	27,961	36,249	33,479	26,562	5,421
Alimony paid:							
Number of returns.....	593,748	55,419	90,548	137,566	182,852	80,811	46,552
Amount.....	5,444,118	392,684	416,772	782,106	1,230,861	1,154,286	1,467,409
Total deductions:							
Number of returns.....	119,722,143	41,786,895	29,531,360	22,106,843	20,160,813	4,612,191	1,524,041
Amount.....	991,421,589	193,460,719	180,550,844	175,170,385	250,753,221	101,236,761	90,249,659
Basic standard deduction:							
Number of returns.....	84,377,400	40,233,098	24,914,678	13,310,175	5,436,927	378,834	103,689
Amount.....	415,113,986	172,542,125	129,496,454	76,023,126	33,996,982	2,410,253	645,045
Additional standard deduction:							
Number of returns.....	11,178,259	4,939,731	3,436,297	1,573,902	1,067,278	130,261	30,791
Amount.....	13,462,417	5,633,311	4,280,955	1,927,940	1,395,867	183,694	40,651
Total itemized deductions (after limitation):							
Number of returns.....	35,344,743	1,553,797	4,616,682	8,796,668	14,723,887	4,233,357	1,420,352
Amount.....	562,845,185	15,285,283	46,773,435	97,219,319	215,360,372	98,642,814	89,563,963
Itemized deductions in excess of limitation:							
Number of returns.....	4,055,698	--	--	--	95,988	2,539,786	1,419,923
Amount.....	18,901,571	--	--	--	41,894	2,265,452	16,594,224
Medical and dental expenses deduction:							
Number of returns.....	5,353,009	940,362	1,697,488	1,531,528	1,052,879	116,901	13,852
Amount.....	26,787,262	5,300,913	7,634,729	5,806,282	5,998,205	1,531,957	515,176
Taxes paid deduction:							
Number of returns.....	34,809,833	1,401,505	4,428,833	8,691,657	14,660,262	4,211,478	1,416,097
Amount.....	202,508,276	2,640,814	9,694,376	26,560,680	73,308,665	40,194,172	50,109,569

Footnotes at end of table.

Individual Income Tax Returns, Preliminary Data, 1996

Table 1.--Individual Income Tax Returns, Tax Year 1996 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars)

Item	All returns	Size of adjusted gross income					
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Interest paid deduction:							
Number of returns.....	29,755,003	967,262	3,535,283	7,467,138	13,016,277	3,601,948	1,167,095
Amount.....	227,625,566	4,921,849	19,187,371	43,856,776	93,978,554	39,704,015	25,977,002
Charitable contributions deduction:							
Number of returns.....	31,580,891	1,113,010	3,759,139	7,639,767	13,646,040	4,050,014	1,372,922
Amount.....	84,264,918	1,362,119	5,219,569	11,735,194	27,635,848	13,635,993	24,676,193
Taxable income:							
Number of returns.....	96,797,748	20,223,479	28,279,103	22,023,758	20,139,732	4,609,049	1,522,627
Amount.....	3,100,719,765	60,751,843	322,967,109	558,587,366	976,861,175	468,615,932	712,936,340
Income tax before credits:							
Number of returns.....	96,743,058	20,170,615	28,280,424	22,023,758	20,136,583	4,609,049	1,522,629
Amount.....	669,459,918	9,228,600	48,549,843	89,692,743	179,928,364	110,500,444	231,559,923
Total tax credits:							
Number of returns.....	15,937,259	2,999,001	6,759,633	2,004,647	2,735,627	933,504	504,848
Amount.....	10,807,317	556,307	3,882,885	877,514	1,442,548	985,215	3,062,848
Child care credit:							
Number of returns.....	5,979,181	234,143	1,523,586	1,659,670	2,078,280	411,718	71,783
Amount.....	2,530,689	61,172	644,457	697,540	899,305	190,424	37,790
Credit for the elderly or disabled:							
Number of returns.....	169,697	111,144	58,553	--	--	--	--
Amount.....	32,060	20,122	11,938	--	--	--	--
Foreign tax credit:							
Number of returns.....	2,107,378	165,222	242,749	293,577	561,512	461,726	382,592
Amount.....	3,147,731	7,229	29,986	86,130	252,450	568,610	2,203,324
General business credit:							
Number of returns.....	279,785	11,850	26,305	31,292	97,014	67,482	45,842
Amount.....	648,634	3,486	24,185	41,637	190,918	146,415	241,993
Minimum tax credit:							
Number of returns.....	110,466	4,484	443	9,537	25,055	28,877	42,070
Amount.....	636,343	95	232	2,703	51,951	63,891	517,472
Income tax after credits:							
Number of returns.....	91,032,065	18,017,460	24,764,071	21,992,487	20,129,562	4,606,914	1,521,570
Amount.....	658,652,601	8,672,293	44,666,958	88,815,229	178,485,816	109,515,230	228,497,075
Self-employment tax:							
Number of returns.....	13,160,508	3,824,759	2,653,929	2,468,038	2,600,342	1,083,202	530,238
Amount.....	27,288,668	3,337,358	4,289,373	4,684,698	7,026,263	4,468,919	3,482,056
Alternative minimum tax:							
Number of returns.....	453,807	15,253	2,191	12,770	105,000	153,556	165,037
Amount.....	2,412,710	51,929	4,969	15,231	131,307	436,503	1,772,770
Total earned income credit (EIC):							
Number of returns.....	19,717,960	13,018,092	6,699,868	--	--	--	--
Amount.....	29,374,661	21,128,057	8,246,605	--	--	--	--
EIC used to offset income tax before credits:							
Number of returns.....	8,296,884	2,534,135	5,762,749	--	--	--	--
Amount.....	3,613,129	463,259	3,149,869	--	--	--	--
EIC used to offset other taxes:							
Number of returns.....	3,083,045	2,305,898	777,147	--	--	--	--
Amount.....	2,150,021	1,521,247	628,775	--	--	--	--
Excess EIC, refundable portion:							
Number of returns.....	15,608,103	11,735,679	3,872,423	--	--	--	--
Amount.....	23,611,511	19,143,551	4,467,961	--	--	--	--
Total income tax:							
Number of returns.....	91,051,831	18,026,346	24,764,400	21,994,651	20,133,533	4,609,721	1,523,179
Amount.....	661,075,925	8,724,254	44,672,032	88,830,465	178,617,698	109,951,891	230,279,585
Total tax liability:							
Number of returns.....	93,311,396	19,733,883	25,266,401	22,034,037	20,143,202	4,610,392	1,523,480
Amount.....	689,268,535	10,726,679	48,648,432	93,949,993	186,713,424	115,008,844	234,221,163

¹ Includes returns with adjusted gross deficit.

² Included in data for Forms 1040, 1040A, and 1040EZ.

³ Not included in adjusted gross income.

NOTE: Detail may not add to totals because of rounding.